

House File 9 - Introduced

HOUSE FILE 9

BY WILLS

A BILL FOR

1 An Act relating to persistently lowest-achieving schools
2 by authorizing parents or guardians to petition for the
3 closure of an attendance center, for implementation of an
4 education voucher program, or for establishment of a charter
5 school, establishing an education voucher fund, making
6 appropriations, and providing penalties.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 256.7, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 33. Adopt rules relating to applications
4 for an education voucher pursuant to section 256E.4, including
5 application processing timelines and information required to be
6 submitted by a parent or guardian.

7 Sec. 2. NEW SECTION. **256E.1 Definitions.**

8 1. "*Attendance center*" means a public school building
9 that contains classrooms used for instructional purposes for
10 elementary, middle, or secondary school students.

11 2. "*School board*" means a board of directors regularly
12 elected by the registered voters of a school district.

13 3. "*State board*" means the state board of education.

14 Sec. 3. NEW SECTION. **256E.2 Alternatives for persistently
15 lowest-achieving schools — parent petition.**

16 1. If an attendance center is identified by the department
17 of education as a persistently lowest-achieving school within
18 the meaning of section 256.9, subsection 55, the parents or
19 guardians of students enrolled at the attendance center may
20 submit a petition to the school board to either close the
21 attendance center pursuant to section 256E.3 or authorize
22 education vouchers for students of the attendance center under
23 section 256E.4.

24 2. A valid petition under this section must state whether
25 the petition is requesting the closure of an attendance center
26 pursuant to section 256E.3 or the authorization of education
27 vouchers under section 256E.4, and must contain the signatures
28 of at least fifty percent of the parents or guardians whose
29 children are enrolled at the attendance center. A valid
30 petition under this section must be received by the school
31 board not later than December 1 of the school year preceding
32 the school year during which the requested action will be
33 implemented. A petition received after that deadline will be
34 considered a petition for the following school year if the
35 attendance center continues to meet the criteria of subsection

1 1.

2 3. Unless rulemaking is authorized for another state
3 agency, the state board shall, after consulting with the
4 department of education and the department of management, adopt
5 rules to implement and administer this chapter.

6 Sec. 4. NEW SECTION. 256E.3 Closure of attendance center —
7 reallocation of students.

8 1. If a valid petition for closure of an attendance center
9 is received by a school board under section 256E.2, the school
10 board shall formulate and implement a plan for the closure
11 of the attendance center and a plan for the reallocation of
12 students currently enrolled at the attendance center and those
13 students who would, but for the closure, be enrolled at the
14 attendance center during the next school year.

15 2. The plan for the reallocation of students to other
16 attendance centers in the school district shall include
17 objective criteria and standards and criteria for prioritizing
18 requests that do not have an adverse impact on the plan.

19 3. a. If other attendance centers in the school district
20 have insufficient classroom space to accommodate the students
21 from the closing attendance center, the school board shall
22 instead implement the education voucher program under section
23 256E.4.

24 b. Every school district shall adopt a policy that defines
25 the term "*insufficient classroom space*" for each attendance
26 center in that district that is consistent with the policy
27 adopted under section 282.18, subsection 2, paragraph "c".

28 Sec. 5. NEW SECTION. 256E.4 Education voucher program.

29 1. a. If a valid petition authorizing education vouchers
30 is received by a school board under section 256E.2, or if
31 section 256E.3, subsection 3, is applicable, students eligible
32 to enroll in kindergarten through grade twelve and who are
33 enrolled at the attendance center at the time the applicable
34 petition is filed are eligible to receive education vouchers.

35 b. Education vouchers shall be made available to parents

1 and guardians in the manner authorized under subsection
2 4, paragraph "c", for the payment of qualified educational
3 expenses as provided in this section.

4 2. a. (1) By January 31 preceding the school year for
5 which the education voucher is requested, the parent or
6 guardian of the student requesting to receive an education
7 voucher shall submit an application to the department of
8 education, on application forms developed by the department,
9 indicating that the parent or guardian intends to enroll the
10 student in a nonpublic school.

11 (2) In addition to other information deemed appropriate
12 by the department of education, the application shall require
13 certification from the nonpublic school of the student's
14 enrollment for the following school year.

15 b. By March 1 preceding the school year for which the
16 education voucher is requested, the department of education
17 shall notify the department of management of the number of
18 students designated for the following school year to receive
19 an education voucher. The department of education shall also
20 notify the parent or guardian of such students who are approved
21 to receive an education voucher.

22 c. Education vouchers shall only be approved for one school
23 year per application, and applications must be submitted under
24 paragraph "a" for education vouchers in subsequent school
25 years.

26 3. The department of management shall assign each student an
27 education voucher in an amount equal to seventy-five percent of
28 the district of residence's regular program district cost per
29 pupil in the same school year.

30 4. An education voucher fund is created in the state
31 treasury under the control of the department of management
32 consisting of moneys appropriated to the department of
33 management for the purpose of providing education vouchers
34 under this section. For the fiscal year commencing July 1,
35 2018, and each succeeding fiscal year, there is appropriated

1 from the general fund of the state to the department of
2 management to be credited to the fund the amount necessary
3 to pay all education vouchers approved for that fiscal year.
4 The director of the department of management has all powers
5 necessary to carry out and effectuate the purposes, objectives,
6 and provisions of this section pertaining to the fund,
7 including the power to do all of the following:

8 *a.* Make and enter into contracts necessary for the
9 administration of the fund.

10 *b.* Procure insurance against any loss in connection with the
11 assets of the fund or require a surety bond.

12 *c.* Contract with a private financial management firm to
13 manage the fund, in collaboration with the treasurer of state,
14 including providing for the disbursement of education vouchers
15 in the form of an electronic debit card or checks that are
16 payable directly from the student's account in the fund.

17 *d.* Conduct audits or other review necessary to properly
18 administer the program.

19 *e.* Adopt rules pursuant to chapter 17A for the
20 administration of the fund and accounts in the fund.

21 5. *a.* For each student approved for an education voucher,
22 the department of management shall establish an account for
23 that student in the education voucher fund. The student's
24 education voucher shall be deposited into the student's
25 account on July 1 and funds shall be immediately available
26 for the payment of qualified educational expenses incurred
27 by the parent or guardian for the student during that fiscal
28 year using the payment method authorized under subsection 4,
29 paragraph "c".

30 *b.* A nonpublic school or other entity that accepts payment
31 from a parent or guardian using funds from a student's account
32 in the education voucher fund shall not refund, rebate, or
33 share any portion of such payment with the parent, guardian,
34 or student.

35 *c.* Moneys remaining in a student's account upon conclusion

1 of the fiscal year shall remain in the student's account in the
2 education voucher fund for the payment of qualified educational
3 expenses in future fiscal years during which the pupil
4 participates in the program, unless subject to the transfer
5 required under subsection 8.

6 6. *a.* For purposes of this section, "*qualified educational*
7 *expenses*" includes tuition and fees at a nonpublic school,
8 textbooks, fees, or payments for educational therapies
9 including tutoring or cognitive skills training, curriculum
10 fees and materials for a course of study for a specific
11 subject matter or grade level, tuition or fees for nonpublic
12 online education programs, education materials and services
13 for students with disabilities including the cost of
14 paraprofessionals and assistants who are trained in accordance
15 with state law, and other expenses incurred by the parent or
16 guardian that are directly related to the education of the
17 student at a nonpublic school, including a nonpublic school
18 accredited by an independent accrediting agency approved by
19 the department of education. "*Qualified educational expenses*"
20 does not include transportation costs for the student, the cost
21 of food or refreshments consumed by the student, the cost of
22 clothing for the student, or the cost of disposable materials,
23 including but not limited to paper, notebooks, pencils, pens,
24 and art supplies.

25 *b.* For purposes of this section, "*nonpublic school*" means
26 the same as defined in section 285.16.

27 7. A person who makes a false claim for the purpose of
28 obtaining an education voucher provided for in this section or
29 who knowingly receives the voucher or makes a payment from an
30 account in the education voucher fund without being legally
31 entitled to do so is guilty of a fraudulent practice under
32 chapter 714. The false claim for an education voucher or a
33 payment from an account shall be disallowed. If amounts from
34 the voucher have been disbursed from the applicable account in
35 the education voucher fund, the department of management shall

1 initiate legal proceedings to recover such amounts. A parent
2 or guardian who violates this subsection is prohibited from
3 participating in the education voucher program in the future.

4 8. For each student with a positive balance in the student's
5 account in the education voucher fund upon graduation from
6 high school or upon termination of the student's enrollment in
7 the nonpublic school, moneys in the student's account shall be
8 transferred by the department for deposit in the general fund
9 of the state.

10 9. A nonpublic school that accepts payment from a parent or
11 guardian using funds from a student's account in the education
12 voucher fund is not an agent of this state or other political
13 subdivision of this state.

14 Sec. 6. Section 256F.3, subsection 2, paragraph a, Code
15 2017, is amended to read as follows:

16 a. (1) To receive approval to establish a charter school
17 in accordance with [this chapter](#), the principal, teachers, or
18 parents or guardians of students at an existing public school
19 shall submit an application to the school board to convert an
20 existing attendance center to a charter school. An attendance
21 center shall not enter into a charter school contract with a
22 school district under [this chapter](#) unless the attendance center
23 is located within the school district.

24 (2) (a) The Except as otherwise provided in subparagraph
25 division (b), the application shall demonstrate the support
26 of at least fifty percent of the teachers employed at the
27 school on the date of the submission of the application and
28 fifty percent of the parents or guardians voting whose children
29 are enrolled at the school, provided that a majority of the
30 parents or guardians eligible to vote participate in the ballot
31 process, according to procedures established by rules of the
32 state board.

33 (b) If the attendance center at which the charter school
34 is to be established is identified by the department of
35 education as a persistently lowest-achieving school within

1 the meaning of section 256.9, subsection 55, the application
 2 shall demonstrate the support of at least fifty percent of the
 3 parents or guardians voting whose children are enrolled at the
 4 school, provided that a majority of the parents or guardians
 5 eligible to vote participate in the ballot process, according
 6 to procedures established by rules of the state board.

7 Sec. 7. Section 422.7, Code 2017, is amended by adding the
 8 following new subsection:

9 NEW SUBSECTION. 51. Subtract, to the extent included, the
 10 amount of any education voucher under section 256E.4 received
 11 during the tax year by a taxpayer authorized to spend such
 12 voucher amounts for qualified educational expenses.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
 15 the explanation's substance by the members of the general assembly.

16 This bill relates to persistently lowest-achieving schools
 17 by authorizing parents or guardians to petition for the closure
 18 of an attendance center, for implementation of an education
 19 voucher program, or for establishment of a charter school.

20 Under the bill, if an attendance center is identified by
 21 the department of education as a persistently lowest-achieving
 22 school, the parents or guardians of students enrolled at
 23 the attendance center may submit a petition to the school
 24 board to either close the attendance center or authorize
 25 education vouchers for students of the attendance center. A
 26 valid petition must state whether the petition is requesting
 27 the closure of an attendance center or the authorization of
 28 education vouchers, and must contain the signatures at least 50
 29 percent of the parents or guardians whose children are enrolled
 30 at the attendance center. A valid petition must be received by
 31 the school board not later than December 1 of the school year
 32 preceding the school year during which the requested action
 33 will be implemented. A petition received after that deadline
 34 will be considered a petition for the following school year
 35 if the attendance center continues to meet the criteria for a

1 persistently lowest-achieving school.

2 If a valid petition for closure of an attendance center
3 is received, the school board shall formulate and implement
4 a plan for the closure of the attendance center and a plan
5 for the reallocation of students currently enrolled at the
6 attendance center and those students who would, but for the
7 closure, be enrolled at the attendance center during the next
8 school year. The bill requires the plan for the reallocation
9 of students to other attendance centers in the school district
10 to include objective criteria and standards and criteria for
11 prioritizing requests that do not have an adverse impact on the
12 plan. If other attendance centers in the school district have
13 insufficient classroom space to accommodate the students from
14 the closing attendance center, the school board shall instead
15 implement the education voucher program established in the
16 bill.

17 Under the bill, the following students shall be eligible
18 to receive an education voucher: (1) students eligible to
19 enroll in kindergarten through grade 12 who are enrolled at an
20 attendance center at the time a petition authorizing education
21 vouchers is filed with the school board and (2) students
22 eligible to enroll in kindergarten through grade 12 who are
23 enrolled at an attendance center that is to be closed under
24 the bill and for whom there is insufficient classroom space at
25 other attendance centers in the school district.

26 By January 31 preceding the school year for which the
27 education voucher is requested, the parent or guardian of
28 the student requesting to receive an education voucher shall
29 submit an application to the department of education, on
30 application forms developed by the department, indicating
31 that the parent or guardian intends to enroll the student in
32 a nonpublic school. In addition to such information deemed
33 appropriate by the department of education, the application
34 shall require certification from the nonpublic school of the
35 student's enrollment for the following school year. By March

1 preceding the school year for which the education voucher
2 is requested, the department of education shall notify the
3 department of management of the number of students designated
4 for the following school year to receive an education voucher.
5 The department of education shall also notify the parent or
6 guardian of such students who are approved to receive an
7 education voucher.

8 The bill authorizes education vouchers to be approved for
9 one school year per application, and additional applications
10 must be submitted for education vouchers in subsequent school
11 years. The education voucher is in an amount equal to 75
12 percent of the district of residence's regular program district
13 cost per pupil in the same school year.

14 For the fiscal year commencing July 1, 2018, and each
15 succeeding fiscal year, the bill appropriates from the general
16 fund of the state to the department of management to be
17 credited to the education voucher fund an amount necessary to
18 pay all education vouchers approved for that fiscal year. For
19 each student approved for an education voucher, the department
20 is required to establish an account for that student in the
21 education voucher fund. The amount of the student's education
22 voucher shall be deposited into the student's account on July 1
23 and such amount shall be immediately available for the payment
24 of qualified educational expenses, as defined in the bill,
25 incurred by the parent or guardian for the student during that
26 fiscal year.

27 The bill specifies that a nonpublic school or other entity
28 that accepts payment from a parent or guardian using funds from
29 a student's account in the education voucher fund shall not
30 refund, rebate, or share any portion of such payment with the
31 parent, guardian, or student.

32 Moneys remaining in a student's account upon conclusion
33 of the fiscal year shall remain in the student's account
34 in the education voucher fund for the payment of qualified
35 educational expenses in future fiscal years during which

1 the pupil participates in the program. However, for each
2 student with a positive balance in the student's account in
3 the education voucher fund upon graduation from high school or
4 upon termination of the student's enrollment in the nonpublic
5 school, those moneys in the student's account shall be
6 transferred for deposit in the general fund of the state.

7 The bill provides that a person who makes a false claim for
8 the purpose of obtaining an education voucher or who knowingly
9 receives the voucher or makes a payment from an account within
10 the education voucher fund without being legally entitled to
11 do so is guilty of a fraudulent practice and is subject to a
12 criminal penalty. The bill allows the department of management
13 to initiate legal proceedings to recover vouchers and amounts
14 improperly awarded or paid from accounts under the bill.

15 The bill provides that a nonpublic school that accepts
16 payment from a parent or guardian using funds from a student's
17 account in the education voucher fund is not an agent of this
18 state or other political subdivision of this state.

19 The bill provides that moneys from an education voucher
20 under the bill are not taxable income under Code chapter 422.

21 Code chapter 256F establishes a process by which the
22 principal, teachers, or parents and guardians of students at an
23 existing public school may apply to the school board to convert
24 an existing attendance center to a charter school. Current
25 law requires the application to demonstrate the support of at
26 least 50 percent of the teachers employed at the school on the
27 date of the submission of the application and 50 percent of the
28 parents or guardians voting whose children are enrolled at the
29 school, provided that a majority of the parents or guardians
30 eligible to vote participate in the ballot process, according
31 to procedures established by rules of the state board.

32 The bill modifies the application requirements for
33 converting an existing attendance center to a charter school
34 if the attendance center is a persistently lowest-achieving
35 school. Under those circumstances, the application does not

1 need to demonstrate teacher support and shall only be required
2 to demonstrate the support of at least 50 percent of the
3 parents or guardians voting whose children are enrolled at the
4 school, provided that a majority of the parents or guardians
5 eligible to vote participate in the ballot process, according
6 to procedures established by rules of the state board.